



Leading by example

In the last edition of 'Communicate' we devoted the front page to our new carbon busting strategy. The climate change debate is now firmly centre-stage in the UK and we are determined to deliver real change in our own performance. More than that, our strategy includes influencing our customers, suppliers and employees, encouraging all of them to think about carbon reduction and giving them the information and tools to do something about it. BT's vision is simply to help tackle climate change through the innovative use of communications products.

Since the last edition we have launched our climate change website at www.btplc.com/climatechange, which includes information on what climate change means, with a handy 'bluffers guide' explaining the science, the link between CO₂ and global warming, and the likely consequences if change is not made. There are recommendations from climate change experts for further reading and links to interesting sources of further information.

One of the most useful parts of the website is the 'Carbon Calculator', which enables office-based companies to calculate their annual CO₂ usage at any point in time, based on the fuel consumption at the office and the travel

patterns of their people, including flights and yearly road and rail mileage. The calculator lets businesses change their profile over time, showing how their carbon footprint changes with each action they take. Once they have this information, companies will be better able to consider ways to reduce their carbon usage, through following the information, tips and web links the website contains. Potential actions range from encouraging flexible working and using conferencing to buying renewable energy and sourcing from local suppliers. Many of these ideas have the added bonus for employees of reducing stress, improving work-life balance and increasing personal productivity.

Introduction

In this edition we look at a range of issues including developments in our efforts to tackle the challenges of climate change which as you know is an ongoing priority for BT.

We also look at the rollout of Wireless Cities across the UK and the benefits that they bring to businesses and consumers.

There is also our regular focus on issues for customers and finally a piece on BT's Community Champions initiative.

In July, we are looking forward to seeing John Robertson and his team of MPs defend their title at the second BT Public Affairs Technology Challenge. See back page for details.

As always please contact me if you have any feedback or if you would like any further information on any issue.

My contact details can be found on the back page.



Tim O'Sullivan
Director of
Public Affairs

The website also gives details of BT's pledges to make a significant contribution to the process of reducing carbon emissions. As a consumer of 0.7% of the UK's entire electricity consumption BT is well-placed to make a significant contribution to the process of reducing carbon emissions.

We recognise that we are uniquely placed to harness the potential of the services we sell and the positive effect that they will continue to have on reducing carbon emissions through, for example, cutting down on unnecessary travel. More than 80 per cent of BT people already work some or all of the time from home thanks to broadband technology, while BT's teleconferencing business is the fastest growing in the world. We believe in leading by example and encouragement and will be maintaining the impetus behind this crucial work. Further updates will appear in Communicate on a regular basis.

Current issues for customers



BT's Payment Processing Fee

In common with many other companies, BT has seen a marked increase in the number of its customers wishing to pay by direct debit. Charging a fee for processing non-direct debit payments is very common. In fact, our competitors already do this or (more commonly) will not accept non-direct debit customers at all. As more people switch to direct debit the costs of dealing with other payment methods rise. It is also a fact that non-direct debit customers are more likely to pay late or fail to pay at all, leaving BT with bad debts of around £100 million a year.

Against this background, from 1 May BT has replaced the £1 a month discount it used to give to direct debit customers with a processing fee of £1.50 a month for non-direct debit or monthly payment service customers. At the same time, the phone line

rental for all customers has been reduced by £1 a month and the rental for broadband has also fallen by the same amount. The £1.50 differential is about half or a third of most other companies in the industry who offer a non direct debit alternative.

No customer will be adversely affected by more than 50p a month, some will see a net reduction of 50p on their overall bill.

Customers on our social telephony schemes (unique to BT) are not affected by the change. Later this year BT is planning to introduce a new social telephony scheme which is designed to benefit customers who genuinely have difficulties affording telephony services, in particular those on low incomes. We will share more details of this scheme at launch.

Broadband Stakeholder Group

On Monday, 16 April 2007, the Broadband Stakeholder Group (BSG) issued a report on the prospects for next generation broadband deployment in the UK.

As the report recognises, the UK is doing very well and BT has played a key role in that. However, this is a fast moving market and we will continue to develop broadband products to stay ahead of what our customers demand. We have made a massive investment in broadband – 99.8% broadband availability is more than almost anywhere in the world. BT's 21st Century Network (21CN) programme is already piloting next generation broadband. From next year we will start to make speeds of

up to 24Mbit/s available from all of our exchanges nationwide, in contrast with the limited deployment in urban areas in other countries of high speed broadband.

The UK enjoys some of the most advanced digital applications in the world – and our 21CN programme will reinforce that. The UK also enjoys a wide range of digital platforms – cable, satellite, BT's DSL – from a wide range of companies. As the BSG says, the progress of the last few years must not lead to complacency, and we believe our plans demonstrate that we are maintaining the drive that has been so vital to the improvement in the UK's position.

National Programme for IT in the NHS

Recent debates on the floor of the House and in Select Committees have covered the National Programme for IT. We thought that an update on the real progress being made on our three contracts would be useful.

N3 – the secure national broadband network we are building and managing for the NHS – reached 18,000 connections in England in January, two months ahead of schedule. Patient care and efficiency will be improved by a faster, more effective networked communications system. The N3 network has also been voice-enabled, which will further reduce the cost of telephony services and bring enhanced communications between NHS sites.

In London, where we are implementing new IT systems across the capital, we have delivered capability to over 70 per cent of trusts and completed our roll out of picture archiving communications systems (PACS) to 21 trusts. These systems enable images such as X-rays and scans to be stored, displayed, transmitted and archived electronically rather than being printed onto film, and will bring considerable benefits to both patients and NHS staff.

Good progress is also being made in the delivery of the Spine – the national electronic patient record and messaging system which will form the core of the NHS Care Records Service. Although the complex debate about the type of patient information to be stored has affected the delivery timetable, BT has made its last 14 software deliveries on or ahead of time and the first Summary Care Records will be uploaded within weeks.

BT believes the Programme will revolutionise the way the NHS in England uses information and that significant improvements to the quality of patient care will result.



Wireless cities

BT is using wireless technology to help communities and individuals connect with each other whether at home, out and about or in the workplace. Someone's location should not be a barrier to the information and services they can access, or the device they wish to use in order to do so.

Our Wireless Cities programme is part of our mobility and convergence strategy and has been going for over a year now. We are working in partnership with a number of local authorities across the country to increase Wi-Fi availability through the installation of Wi-Fi access points to add to the existing specially-located access points, called BT Openzone hotspots, found in places such as hotels, restaurants, cafes, service stations and airport lounges.

Wireless Cities provide considerable benefits to those involved. The local council gains through improved service provision, for example, more effective traffic management or improved safety within the community via wireless CCTV. Local businesses can attract new customers and deliver different services, while residents and visitors can access the internet whilst on the move in places they previously could not.

These benefits can be seen through our work with Westminster City Council. In April 2004, Westminster City Council and BT launched the first phase of the pioneering project to transform the heart of London into a BT Wireless City. The scheme focuses on three different areas: wider use of CCTV to help in the management of a 24 hour city; use of a wireless network to support more productive mobile working; and various other specific applications such as remote noise monitoring. A pilot stage which centred initially on Soho, Lisson Green and Churchill

Gardens has now been extended further to cover more areas of the city.

The project is linked with Westminster's own One City vision (in which the council looks to be a world leader in city management) and is set to transform council services, whilst delivering significant cost savings, and has been hailed as "one of the most exciting developments in Westminster's history," by Leader of Westminster Council, Sir Simon Milton.

Leisure and business applications will be available to a wide range of devices, including the Wi-Fi version of BT Fusion and the recently launched BT Office Anywhere handset. These handsets use the wireless broadband network to make calls for free or at cheaper rates and provide a rich media experience, such as video calling and access to internet applications and services.

The ongoing work in Westminster is attracting national and international attention – and with twelve other wireless cities across the UK so far – the concept of wireless communications for all is becoming more of a reality.

There has been some recent speculation on issues in relation to wireless technology, BT is absolutely committed to ensuring the technology we install is safe. As our work with local councils in the creation of Wireless Cities continues, we are very conscious of our responsibility to the public, employees and customers.

BT – delivering converged network services globally

Amongst developments since last time:

- BT has recently agreed a new strategic partnership with the Post Office. BT will become the provider of wholesale communications services to the Post Office for resale to its customers. In an agreement worth up to £750 million over the next four years, and the largest single contract ever signed by BT Wholesale, BT will underpin the Post Office's ambitions to become a fully integrated voice and broadband communications provider.

The agreement provides the Post Office with a suite of broadband and converged services from BT Wholesale's white label managed services portfolio. These new services will underpin the Post Office's plans to launch a new and enhanced communications service later this year, combining high speed broadband and telephony, as well as customer equipment and applications.

- BT has entered into an agreement to acquire Comsat International, a leading provider of data communication services for corporations and public sector organisations in Latin America.

The acquisition will bolster BT's global reach and reinforce its ability to help customers address the challenges and opportunities of globalisation. Comsat International employs over 700 professionals with in-depth knowledge of Latin American markets and provides services directly in 15 countries.

- BT has agreed a new global services agreement with Nestlé, the world's leading food company. This deal will see BT deliver, develop and manage Nestlé's global wide area network services for another three years.

The scope of the contract is to deliver and manage a global VPN (Virtual Private Network) connecting more than 1,000 sites worldwide. The service includes multimedia voice and video running across the network as well as the roll out of managed audio conferencing services.

The agreement supports Nestlé's Global Business Excellence programme. It includes a highly flexible and innovative global service level agreement jointly developed by BT and Nestlé to support the requirements of the contract across all services.



let's make a
better
world

BT launches £1.5 million global development partnership with Unicef

BT has launched a three-year global development partnership with UNICEF which will include investing £1.5 million into bringing education, technology and communications skills to children from poor socio-economic backgrounds in South Africa, Brazil and China.

The first year of the project will focus on South Africa, reaching over 18,000 children in some of the most economically deprived communities. The project will focus on rural and semi-rural areas in line with the country's educational priorities to enhance the quality of basic education for all of the children in the programme.

BT hopes to provide students with practical ICT skills that will assist in their future economic independence and ultimately help them become skilled members of the workforce. BT will be installing 250 computers. BT's investment will help renovate schools and build additional classrooms and state-of-the-art computer labs.

The primary focus of the partnership will be on creating a secure and productive learning environment, especially for girls. They will be mentored, coached and trained in communication, technology and science and gain skills in areas, which they are not well represented. As mothers of the next generation, with families to sustain, they will be responsible for ensuring that their children receive an education.

BT Community Champions

BT Community Champions is a quarterly award scheme offered to BT employees across the globe. Employees can apply for funding on behalf of the community group where they have worked on a voluntary basis for at least 12 months. It was established 14 years ago to acknowledge the valuable 'out of hours' community work of employees as well as offering much needed funding to the charity sector.

BT employees can apply for cash grants of up to a maximum of £500/\$972, which can be used for purchasing specific equipment or as a contribution towards a particular project. As an alternative to the funding, applicants can also apply for a full set of BT branded sports kit. This is for youth teams or teams of adults with disabilities.

This year the number of international applicants also increased – there were eight applicants from overseas BT employees. For the first time there was an international winner who received the maximum equivalent cash grant of £500 (\$972). This will be spent on renewing stretchers in the rescue vehicles of the group that the BT Global Services employee volunteers with, in New Jersey, America.

During the past year £200,000 was awarded to 844 community groups and 38 youth football teams have a brand new team kit.

A mountain rescue team in Derbyshire intended to use the award to update their First

Aid training in line with new best practice life saving techniques, and a brass band in Shropshire used their award to purchase video equipment so that they can promote their performances and recruit new members for the band in local schools.

A sailing club in Nottinghamshire has purchased new equipment to adapt some of their boats so that people with disabilities can also enjoy the pleasures of sailing. In Inverness a pony club used their award to acquire a safety jump cup system which will enable them to comply with Health and Safety standards in show jumping.

BT Community Champions continues throughout 2007/08. To find out whether groups in your constituency have benefited please contact Clova Fyfe on 020 7356 5352 or at clova.fyfe@bt.com.

The BT Technology Challenge 2007 is being held at the Royal Institute of Chartered Surveyors, Great George Street, 10th July, 7.30-9:30pm. Come along and support your colleagues!

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